

EXTENSIONS OF REMARKS

REFORM IMMIGRATION LAWS

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 4, 1995

Mr. STUMP. Mr. Speaker, today, this first day of the 104th Congress, I am introducing a package of three immigration reform bills that deserve top priority as the new Congress works to make America a better place to live.

As I am sure many of my colleagues in this body experienced on the campaign trail last year, Americans are deeply concerned about immigration and its impact on their lives. They are anxious about the changing face of this country and the problems associated with our system of immigration. I don't blame them. On any given day, there are countless news reports about the destructive consequences of our dysfunctional immigration policies. But one need not rely on the media for an understanding of this issue, as more and more Americans are getting firsthand knowledge of the ill-effects of out-of-control immigration.

At the forefront of the immigration debate is illegal immigration. After all, many States, including my State of Arizona, have been hard-pressed to find the resources required to deal with this growing problem. They have had to resort to filing suit against the Federal Government for reimbursement. And, let us not forget what took place in California last November. Through the passage of proposition 187, Californians overwhelmingly conveyed a message that they will no longer be the victims in the illegal immigration crisis. It is just a matter of time before other States follow California's lead.

These actions prove that the Congress has been negligent in its duty to put forth an immigration policy that is fair and responsible and in the best interests of the States and the American people. Through congressional inaction we have sent a message to other countries that our borders are insecure, that we don't have an interest in enforcing our laws, and that we have a never ending supply of public assistance benefits.

We must act now to correct this perception. That is why I am introducing the Immigration Accountability Act of 1995. This bill goes to the heart of the illegal immigration crisis by prohibiting the payment of Federal benefits to illegals and ending the practice of conferring citizenship on the children of illegal aliens. In addition, the bill would strengthen our often-abused asylum system by providing for the expeditious processing of meritorious claims and the prompt exclusion of those who attempt to defraud the system. Finally, the bill calls for a significant increase in the border patrol. By increasing our border security and eliminating these compelling illegal immigration incentives, I believe we can turn the tide of illegal immigration.

Illegal immigration is a serious problem and I am delighted that many Members of the new Congress have expressed their willingness to

confront it. However, there is another problem that is more complex, and just as pressing. I am referring to legal immigration. We are currently experiencing unprecedented levels of legal immigrants, perhaps 15 million in the 1990's. Through ill-conceived immigration laws, we are accommodating people in other countries who wish to live here with little regard for those already here, citizens and immigrants alike.

Mr. Speaker, it is time to take a break, a temporary pause, from the uncontrolled immigration that has resulted in overcrowded schools and hospitals, scarce employment, inadequate housing, and a deteriorating standard of living. I am proposing, through the Immigration Moratorium Act of 1995, that we limit immigration to the spouses and minor children of U.S. citizens, legitimate refugees, and those immigrants who have been waiting in the immigration backlog for more than 10 years. This would bring our immigration numbers in line with the traditional U.S. average of about 297,000 per year.

I am convinced that my moratorium bill would yield highly positive results. A moratorium would allow us to begin absorbing and assimilating the millions of newcomers who have settled here in recent years and also give us an opportunity to revamp our misguided and outdated policies to suit the realities of today's America. Furthermore, an additional benefit of a moratorium is that it would free up manpower and resources to deal with illegal immigration.

I realize that some of my colleagues believe it to be politically unpopular to advocate a reduction in legal immigration. However, I would like to point out that as immigration levels have risen, so has public opinion turned against increased immigration. A CNN/USA Today poll found that 76 percent of Americans feel immigration should be stopped or reduced until the economy improves. And, all opinion surveys show that the sentiment to restore a more modest immigration flow is about as strong among noncitizens as among citizens, and among nonwhite Americans as among white Americans. I encourage the Members of this body to give these statistics serious consideration before abandoning the idea of reducing legal immigration.

The last bill of my immigration reform package, the Immigrant Financial Responsibility and Sponsorship Act of 1995, is directed at rapidly growing immigrant welfare use. The percentage of immigrants below the poverty line is 50 percent higher than that of natives. Even more astonishing is that the estimated 1993 public assistance and services costs for immigrants was \$10.42 billion. At a time when we are searching for ways to reform the welfare system in this country it would be foolish to let this costly trend continue.

Under my bill, aliens would be required to demonstrate that they are unlikely to become a public charge. If they cannot do so, they will not be admitted to the United States unless a suitable sponsor gives a proper bond and guarantees financial responsibility for the

alien. This is a reliable and fair way to ensure that those immigrants who wish to come to this country will not wind up on our already-overburdened welfare rolls.

Mr. Speaker, as Members of the U.S. Congress, we have an obligation to the American people to restore a sense of fairness and responsibility to our immigration laws. I believe that my bills take a significant step toward fulfilling that obligation. I urge my colleagues to join me.

REPEAL OF SECTION 903

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 4, 1995

Mr. TRAFICANT. Mr. Speaker, the United States taxes the income of its citizens and corporations whether it is earned at home or abroad. The U.S. foreign tax credit provides relief to U.S. taxpayers from the double-taxation so they will not determine where a company invests. Nevertheless, when Congress adopted the section 903 of the Internal Revenue Code, an unfair tax advantage was given to companies that invest abroad. For that reason, I have introduced legislation to repeal section 903.

Mr. Speaker, section 903 extends credibility to those foreign taxes imposed in lieu of foreign income taxes. This means that all foreign taxes such as foreign sales, excise, and value added taxes are creditable as business costs towards their foreign taxes paid. There is no constraint on the type of foreign tax that can be credited. This leaves domestic U.S. companies at a distinct disadvantage. They are only able to deduct taxes that are in lieu of income taxes.

Mr. Speaker, section 903 was enacted in 1942 when certain countries taxed companies on a different basis from our concept of net income. These countries were less sophisticated and imposed taxes on a gross income basis, while the United States concept of net income had become quite refined. In order to make up for the difference, Congress extended credit to all foreign taxes. Since 1942, however, foreign tax systems have become quite sophisticated. Thus, the scope of section 903 has been expanded to include a credit for taxes paid to foreign countries in lieu of foreign income tax.

Mr. Speaker, creditable foreign taxes must be limited to income taxes and taxes of similar nature. This is because under present law indirect taxes and other taxes in lieu of taxes can be shifted onto either consumers or labor. A tax is shifted when a corporation is able to maintain its profits at their pre-tax level despite paying an income tax by raising prices. Therefore, these companies are receiving relief from a tax burden in the form of tax credits that they do not bear. The consumers and workers incur part of the burden of the tax.

Mr. Speaker, the foreign tax credit should be designed to provide relief from double-taxation and to make sure that tax incentives do

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